

HOUSE BILL 941

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C4

2004 Regular Session  
4r2401  
CF 4r2642

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By: **Delegates Harrison, Kirk, and Krysiak**  
Introduced and read first time: February 11, 2004  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Premium Financing - Electronic Payment Fee**

3 FOR the purpose of authorizing a premium finance agreement to require the insured  
4 to pay an electronic payment fee if the insured elects to pay the premium  
5 finance company by means of an electronic payment; limiting the amount to be  
6 charged as an electronic payment fee; and generally relating to insurance  
7 premium financing.

8 BY repealing and reenacting, with amendments,  
9 Article - Insurance  
10 Section 23-303  
11 Annotated Code of Maryland  
12 (2002 Replacement Volume and 2003 Supplement)

13 BY adding to  
14 Article - Insurance  
15 Section 23-307.1  
16 Annotated Code of Maryland  
17 (2002 Replacement Volume and 2003 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Insurance**

21 23-303.

22 (a) The maximum charges stated in §§ 23-304 and 23-305 of this subtitle  
23 shall include all interest, fees, and charges incident to the premium finance  
24 agreement and the resulting extension of credit.

25 (b) Notwithstanding subsection (a) of this section, delinquency, collection,  
26 cancellation, [and] reinstatement, AND ELECTRONIC PAYMENT FEE charges may be  
27 made in accordance with the limitations of [§§ 23-306 and 23-307] §§ 23-306, 23-307,  
28 AND 23-307.1 of this subtitle.

1 23-307.1.

2 (A) IN THIS SECTION, "ELECTRONIC PAYMENT" INCLUDES PAYMENT BY  
3 CREDIT CARD OR DEBIT CARD.

4 (B) A PREMIUM FINANCE AGREEMENT MAY REQUIRE THE INSURED TO PAY  
5 AN ELECTRONIC PAYMENT FEE IF THE INSURED ELECTS TO PAY A PREMIUM  
6 FINANCE COMPANY BY MEANS OF AN ELECTRONIC PAYMENT.

7 (C) A PREMIUM FINANCE COMPANY MAY CHARGE AN ELECTRONIC PAYMENT  
8 FEE, WHICH MAY NOT EXCEED \$8, FOR ACTUAL EXPENSES INCURRED BY THE  
9 PREMIUM FINANCE COMPANY FOR THE ELECTRONIC PAYMENT.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2004.